

# OFFICIAL FILE

STATE OF ILLINOIS  
BEFORE THE ILLINOIS COMMERCE COMMISSION

I.C.C. DOCKET NO. 010518

Exhibit No. 1

Witness Daniel R. Healy

Date 11/5/01 Reporter LSB

RGT UTILITIES OF CALIFORNIA, INC.

Application for a certificate of  
local and interexchange authority to operate  
as a reseller and facilities based carrier of  
telecommunications services throughout  
the State of Illinois

Docket No. 01-\_\_\_\_\_

TESTIMONY OF DANIEL R. HEALY  
IN SUPPORT OF THE APPLICATION OF  
RGT UTILITIES OF CALIFORNIA, INC.

**Q: PLEASE STATE YOUR FULL NAME, BUSINESS ADDRESS, AND TITLE FOR THE RECORD.**

A: My name is Daniel R. Healy, and my business address is 1221 Avenue of the Americas, New York, New York 10020. I am Senior Vice President - Solutions Services Center for RGT Utilities of California, Inc. ("RGTU", the "Company" or the "Applicant").

**Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A: I am testifying in support of the Application of RGTU for a certificate of service authority to operate as a telecommunications carrier within the state of Illinois.

**Q: ARE ALL STATEMENTS IN THE COMPANY'S APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TRUE AND CORRECT TO BEST OF YOUR KNOWLEDGE, INFORMATION AND BELIEF?**

A: Yes, unless as modified in this testimony.

**Q: CAN YOU BRIEFLY OUTLINE WHAT RELIEF THE APPLICANT SEEKS?**

A: Yes, I can. As described in the Application, the Company requests an order from the Commissions granting RGTU a Certificate of Service Authority under Sections 13-403, 13-404 and 13-405 to provide local exchange and interexchange telecommunications services within the State of Illinois, to the extent permitted by law.

**Q: PLEASE DESCRIBE THE COMPANY'S CORPORATE STRUCTURE.**

A: The Company is a Delaware corporation. A copy of the Company's Articles of Incorporation is attached to the Company's Application as Exhibit A.

**Q: PLEASE DESCRIBE THE COMPANY'S SERVICE OFFERINGS AND ITS PROPOSED TERRITORY.**

A: The Company intends to provide facilities-based and resold local exchange, exchange access and interexchange telecommunications services throughout the State of Illinois, to the extent permitted by law. The Company does not currently plan to provide local exchange services in those areas where a small or rural LEC is exempt from the requirement to provide services to competing telecommunications carriers.

The Company's business plan initially calls for the Company to provide resold telecommunications services to Illinois consumers. As business demands grow, the Company will begin to provide facilities-based telecommunications services. The Company understands that the phase-in of facilities-based services will also require it to accept

responsibility for providing other services to its end-users (i.e. 911 collection and remittance). The Company fully intends to abide by the rules and regulations of the Commission, unless waived.

**I. MANAGERIAL, TECHNICAL, AND FINANCIAL RESOURCES.**

**Q: COULD YOU PLEASE IDENTIFY THE COMPANY'S KEY OFFICERS AND EMPLOYEES AND DESCRIBE THE RELEVANT BUSINESS OR PROFESSIONAL EXPERTISE THAT SOME OF THESE OFFICERS AND DIRECTORS BRING TO THE COMPANY TO PROVIDE TELECOMMUNICATION SERVICES.**

**A:** I serve as Senior Vice President - Solutions Services Center for the Applicant as well as its parent and affiliated companies. In that role, I am responsible for all network and technical operations of the Applicant including the design, installation, maintenance, upkeep, repair and operation of the Company's services. I joined Rockefeller Group Telecommunications Services, Inc., an affiliated company, in 1989 as Vice President of Sales and have been promoted to various positions of increasing responsibility. Prior to joining the Company, I served as Branch Manager for United Telecommunications and Director of Major Accounts for the Rolm Corporation.

Thomas Zinc serves as the Director of Financial Operations for the Applicant as well as its parent and affiliated companies. In this role, he oversees all financial and budgeting operations. Mr. Zinc joined Rockefeller Group Telecommunications Services, Inc. in 1999 as the Manager of Finance. Prior to joining, he was Senior Financial Administrator for

Harris Corporation. He also worked as both Senior to Manager of Financial Administration and the Manager of Corporate Finance for the Telephonics Corporation.

Dennis P. Oliver is the Senior Vice President of Business Development for the Applicant as well as its parent and affiliated companies. Mr. Oliver joined Rockefeller Group Telecommunications Services, Inc. in 1987 as Director of Operations and was promoted to Vice President of Services and Installations in 1995. Prior to joining the Rockefeller Group Telecommunications Services, Inc., Mr. Oliver served as District Manager for Product Development at AT&T, as well as working in the departments of Engineering, regulatory and Customer Service.

Richard Helmuth is the President and CEO of the Applicant as well as its parent and affiliated companies. Prior to joining the Company, Mr. Helmuth was Vice President of Provisioning and Network Deployment for Genuity. In this position, he was responsible for a broad range of network deployment activities with a number of major Genuity customers including AOL. In addition, he played a key role as part of the integration team that brought together the broadband services operations and the associated business systems when GTE merged with Verizon. Before joining Genuity, Mr. Helmuth held various managerial and executive positions with PECO Energy and General Electric Corporation.

**Q: DO YOU BELIEVE THAT THESE OFFICERS POSSESS SUFFICIENT MANAGERIAL AND TECHNICAL ABILITIES TO PROVIDE THE SERVICES FOR WHICH THE COMPANY HAS APPLIED FOR AUTHORITY?**

**A:** Yes.

**Q: HAS THE COMPANY PROVIDED A PROPOSED TARIFF?**

A: No. The Company, however, will file a tariff before it initiates telecommunications services in Illinois.

**Q: PLEASE PROVIDE INFORMATION CONCERNING THE COMPANY'S CUSTOMER SERVICE AND REPAIR CONTACTS.**

A: As the Company's business base develops and it becomes economically feasible, the Company plans to staff an Illinois office complete with a general manager, sales people, engineers, and a logistics coordinator to serve its customers. At all times, all Illinois customers will have access to 24/7 customer support and repair. I will oversee the company's network maintenance and repair systems and procedures. The Company has established a toll-free customer service number (1.800.699.9199) that applies to all Illinois customers.

The Company intends to have a local office staffed with technical personnel before initiating facilities-based services in Illinois. The Company intends to contract with the Incumbent Local Exchange Carrier to handle the customer's repair and service issues contained in those parts of the network that are beyond the control of the Company. For the repair and service issues arising in the Company's equipment or lines, the Company intends to utilize its technical staff to the extent possible.

**Q. PLEASE DESCRIBE THE COMPANY'S INTERNAL PROCESS FOR COMPLAINT RESOLUTION.**

A. As mentioned above, the Company has a toll-free number dedicated to customer service issues. The toll-free number will be staffed by trained customer service representatives familiar with the Company's billing process and offered services. If the customer service representative is unable to satisfy the customer, the problem will be brought the attention of a supervisor. After the supervisor has discussed the problem with the customer and the customer is still not satisfied with the result, the customer will be informed of his or her right to file a complaint at the ICC. The supervisor will also be instructed to escalate the customer's complaint to my attention.

**Q. HAS THE COMPANY BEGUN TO NEGOTIATE THE TERMS OF AN INTERCONNECTION AGREEMENT WITH AN INCUMBENT LOCAL EXCHANGE CARRIER?**

A. No, not yet. The incumbent carrier requires a certification prior to entering into an interconnection agreement with any competitive providers.

**Q. HOW WILL THE COMPANY MARKET ITS SERVICES TO CUSTOMERS IN ILLINOIS?**

A. For the foreseeable future, the Company intends to market its services to end-users who lease consumer premises equipment from Rockefeller Group Telecommunications Services, Inc., an affiliated company. As the Company develops, it will employ sales personnel in the state

to contract directly with customers. The Company does not intend to use telemarketing companies, but may in the future. Furthermore, the Company intends to bill its customers in advance of providing services, and therefore does not anticipate customer complaints generally associated with "cramming." The Company of course will comply with all state and federal cramming and slamming regulations.

**Q. COULD YOU PLEASE DESCRIBE THE FINANCIAL RESOURCES THAT ARE AVAILABLE TO THE COMPANY IN THE PROVISION OF TELECOMMUNICATIONS SERVICES?**

- A. Because the Company is a newly formed organization, it does not have a financial history to provide. For purposes of this Application and in support of the Company's Illinois operations, Rockefeller Group International, Inc., the Company's parent corporation, has agreed to submit a Statement of Financial Guarantee, which will provide the Company with sufficient financial resources and abilities to provide telecommunications services to customers in Illinois. Because the final terms of the Statement of Financial Guarantee are still being worked out, I will provide evidence of the transaction prior to the hearing in this docket and submit it as an exhibit.

**II. COMPLIANCE WITH ICC REGULATIONS.**

**Q: WILL THE COMPANY COMPLY WITH ALL APPLICABLE RULES AND ORDERS?**

A: Yes. The Company will comply with all applicable Commission rules, regulations, orders, tariff and other service requirements relevant to the provision of telecommunications service.

**Q. WILL THE COMPANY MEET THE REQUIREMENTS OF SECTIONS 13-301 AND 13-301.1 OF THE PUBLIC UTILITIES ACT AND THE EMERGENCY TELEPHONE SYSTEM ACT (ETSA), 50 ILCS 750.01 ET SEQ?**

A. The Company will meet all statutory and regulatory requirements legally imposed on them as a provider of local exchange and interexchange services. That includes collecting from its subscribers funds to support the Emergency Telephone System and the Uniform Telephone Service Assistance Program.

**Q. WILL THE COMPANY COMPLY WITH THE REGULATIONS PRESCRIBED IN 83 ILLINOIS ADMINISTRATIVE CODE PARTS 720 AND 725 APPLICABLE TO 9-1-1 EMERGENCY SYSTEMS?**

A. Yes, the Company will satisfy all statutory and regulatory requirements legally imposed on them as a provider of local exchange and interexchange services.

**Q. HOW WILL THE COMPANY ENSURE THAT ITS CUSTOMERS HAVE ACCESS TO THE 911 EMERGENCY SERVICES SYSTEMS, AND THAT THE CUSTOMERS WILL BE LISTED IN THE 911 EMERGENCY SERVICES DATABASE?**

A. First, let me say that I will be the Company's contact person for all 911 Emergency Services issues. I can be reached at 212.282.2230. I will be responsible for ensuring that 911 traffic is



handled in accordance with 83 Illinois Administrative Code Part 725 and the Emergency Telephone System Act. Prior to beginning operations in each territory, the Company will coordinate with the incumbent local exchange carriers to establish a working relationship with 911 systems.

**Q. WILL THE COMPANY COORDINATE WITH THE INCUMBENT LEC(S) AND LOCAL 9-1-1 SYSTEMS TO MINIMIZE OBSTACLES AND PROVIDE TRANSPARENT SERVICE TO THE END-USERS?**

A. Yes. The Company will be providing customer information to the LEC for the LEC 911 database. The Company will coordinate with the local exchange carriers to assure that there will be seamless emergency 911 services. I will be responsible for updating the Company's listing of customers in the emergency 911 services data base, and will provide that information to the incumbent (the incumbent will update the data base, with information we provide.) This information will be updated on a 24-hour basis (customer information will be provided to Ameritech for database entry within 24 hours.)

**Q. WILL THERE BE ANY ADDITIONAL CALL SETUP TIME FOR 911 CALLS?**

A. No. In addition, to the best of our knowledge, there will be no need to change existing 911 systems.

**Q. HOW WILL THE COMPANY HANDLE THE BILLING OF 911 SURCHARGES AND ITAC LINE CHARGES.**

The Company's billing systems have the ability to distinguish between "facilities based" customers and "reseller" customers for purposes of collecting and remitting the 911 surcharges and the ITAC line charges. As a reseller of services, it is my understanding that the Company can contract with the ILEC to provide 911 billing services and remit those funds to the proper agencies. When the Company initiates facilities-based services, the Company will remit 911 surcharges that are collected to the local 911 emergency services system. The Company intends to work with the ITAC administrative company on the appropriate manner in which to handle billing of ITAC line charges.

**Q. WILL THE COMPANY PROVIDE CALL BOXES?**

A. No. The Company will not provide call boxes, and will file a waiver of Part 725.500 and 725.600 after the Company's application is approved.

**Q. WHO IS THE PERSON THAT WOULD SERVE AS THE COMPANY'S CONTACT TO THE CONSUMER SERVICE DIVISION TO RESOLVE CUSTOMER COMPLAINTS?**

A. The Commission can contact me at 212.282.2230.

**Q. WILL THE COMPANY FOLLOW THE REGULATIONS PRESCRIBED IN 83 ILLINOIS ADMINISTRATIVE CODE PART 705, RELATING TO THE PRESERVATION OF RECORDS?**

A. Yes.

**Q. WILL THE COMPANY FOLLOW THE REGULATIONS PRESCRIBED IN 83 ILLINOIS ADMINISTRATIVE CODE PART 755 AND 756 FOR THE DISTRIBUTION AND PROVISION OF TTY AND TELECOMMUNICATIONS RELAY SERVICE?**

**A.** Yes. The Company will either provide these services directly, or will contract with the incumbent local exchange carriers to make these services available to its voice grade telecommunications customers.

**Q. WILL THE COMPANY SIGN AND RETURN TO THE UNIVERSAL TELEPHONE ASSISTANCE CORPORATION (UTAC) ALL OF NECESSARY MEMBERSHIP FORMS IN A TIMELY MANNER AND REMIT TO UTAC THE LINE CHARGE AMOUNTS COLLECTED MONTHLY FROM ALL TELEPHONE SUBSCRIBERS FOR THE TTY EQUIPMENT LOAN PROGRAM AND TELECOMMUNICATIONS RELAY SERVICE?**

**A.** Yes.

**Q. WILL THE COMPANY FOLLOW THE REGULATIONS PRESCRIBED IN 83 ILLINOIS ADMINISTRATIVE CODE PART 757, "TELEPHONE ASSISTANCE PROGRAMS"?**

**A.** Yes. The Company will meet all statutory and regulatory requirements legally imposed on them as a provider of local exchange and interexchange services. The Company will solicit,

collect, and remit the voluntary contributions from our subscribers to support the Telephone Assistance Programs. In addition, the company will offer all of the waivers associated with the Universal Telephone Service Assistance Programs (UTSAP.)

In fact, the Company has already completed and returned its application to the Universal Telephone Assistance Corporation ("UTAC") and ITAC by sending a copy to the ICC Staff.

### **III. WAIVERS OF ADMINISTRATIVE CODE PROVISIONS**

**Q: HAS THE COMPANY REQUESTED ANY WAIVERS OF ADMINISTRATIVE CODE PROVISIONS?**

A: Yes. The Company requests that it be exempted from 83 Illinois Administrative Code 710, which pertains to the uniform systems of accounts; 83 Illinois Administrative Code Part 735 for only its interexchange customers; 83 Illinois Administrative Code 250, which pertains to the location of the Company's books; and, 83 Illinois Administrative Code 735.180, which requires local exchange carriers to list its customers in its directory.

**Q: TO QUALIFY FOR THE EXEMPTION OF SECTION 735.180, WILL THE COMPANY MAKE ARRANGEMENTS WITH THE INCUMBENT LOCAL EXCHANGE CARRIER TO LIST ITS CUSTOMERS WITH A PUBLISHED DIRECTORY FOR ITS VOICE-GRADE TELECOMMUNICATIONS SERVICE CUSTOMERS.**

A: Yes, to comply with the requirement that the Company list its voice customers in a directory, the Company will make arrangements to list its customers in a directory published by an incumbent local exchange carrier.

**Q. WILL THE COMPANY FOLLOW THE REMAINING REGULATIONS PRESCRIBED IN 83 ILLINOIS ADMINISTRATIVE CODE PART 735 RELATING TO CREDIT, BILLING AND DEPOSITS?**

A: Yes.

**Q. WILL THE COMPANY COMPLY WITH ALL OTHER REQUIREMENTS UNDER 83 ILLINOIS ADMINISTRATIVE CODE PART 735 FOR ITS LOCAL EXCHANGE SERVICES.**

A: Yes. The Company requests a waiver of Part 735 for its competitive interexchange services, but will comply with the other provisions of Part 735 for its local exchange services.

**Q. ON WHAT BASIS DOES THE COMPANY REQUEST A WAIVER OF THE REQUIREMENTS UNDER 83 ILLINOIS ADMINISTRATIVE CODE SECTION 710 THAT THE COMPANY'S BOOKS AND RECORDS BE MAINTAINED UNDER THE UNIFORM SYSTEM OF ACCOUNTS?**

A: The company requests that it be exempted from 83 Illinois Administrative Code 710, which pertains to maintaining its books and records under the uniform systems of accounts. The

Commission may grant a waiver of Part 710 (which substantially mirrors 47 CFR Section 32.18) upon a showing that:

existing peculiarities or unusual circumstances warrant a departure from a prescribed procedure or technique;

a specifically defined alternative procedure or technique will result in a substantially equivalent or more accurate portrayal of operating results or financial condition, consistent with the principles embodied in the provisions of this system of accounts;

and the application of such alternative procedure will maintain or improve uniformity in substantive results as among telecommunications companies.

**Q. ARE THERE EXISTING PECULIARITIES OR UNUSUAL CIRCUMSTANCES THAT WARRANT A DEPARTURE FROM MAINTAINING THE COMPANY'S BOOKS AND RECORDS UNDER THE USOA?**

A. Yes. The Company is not required at this time to maintain its books and records under the USOA for its interstate services. Therefore, the "existing peculiarity" is that if the Company does not obtain a waiver of Part 710 for the interexchange or local exchange services in Illinois, it will have to maintain two separate accounting systems for its Illinois intrastate services (intraexchange and interexchange) as well as two separate accounting systems for its originating resold local exchange traffic which terminates intrastate and originating resold local exchange traffic that terminates interstate. Maintaining books and records in this manner would be particularly burdensome on the Company.

**Q. IS THERE AN ALTERNATIVE PROCEDURE OR TECHNIQUE THAT WILL RESULT IN A SUBSTANTIALLY EQUIVALENT OR MORE ACCURATE PORTRAYAL OF OPERATING RESULTS OR FINANCIAL CONDITION OF THE COMPANY, CONSISTENT WITH THE PRINCIPLES EMBODIED IN THE PROVISIONS OF THE USOC?**

A. Yes. The Company will maintain its books and records according to generally accepted accounting principles, and its books and records will be analyzed annually by an independent public accounting firm in accordance with generally accepted standards. The primary purpose of the USOA is to have a stable, recurring method of reporting financial information to allow regulators and management to assess financial performance. (47 CFR Section 32.1.) If the Company is required to now maintain its books and records for its intrastate telecommunications services under the USOA, its books and records would be a hodge-podge compilation of varying systems of accounts. The Company and the Commission can more accurately determine financial performance through the Company's existing system of maintaining books and records. The regulations state that "the USOA has been designed to reflect stable, recurring financial data based to the extent regulatory considerations permit upon the consistency of well established body of accounting principles." By continuing to maintain its records according to generally accepted accounting principles, rather than the exact USOA format, the Company actually satisfies the objective of Part 710. Requiring the Company to switch to the USOA format for some of its services, would create a situation where neither management nor regulators could accurately assess financial events of the Company.

**Q. COULD YOU PROVIDE THE COMMISSION WITH A CHART OF THE ACCOUNTS THE COMPANY MAINTAINES.**

A. Attached as Exhibit A to this testimony is a chart of the accounts maintained by the Company.

**Q. WILL THE COMPANY STILL BE ABLE TO FILE THE REQUIRED REPORTS AND TAX RETURNS?**

A. The Company will file all required Annual Reports, invested capital tax returns, public utility tax returns, and telecommunications excise tax returns. These reports require the Company to report the value of its "telecommunications plant", which is defined by 47 CFR Section 32.2000, and the annual gross revenue derived from providing telecommunications services. Therefore, the Company will have to maintain its books and records in sufficient detail to comply with all Illinois tax return and annual report requirements.

**Q. WILL THE COMPANY'S ACCOUNTING SYSTEM PROVIDE SUFFICIENT DETAILED DATA FOR THE PREPARATION OF ILLINOIS GROSS RECEIPTS TAX RETURNS?**

A. Yes.



**Q. WILL GRANTING THE WAIVER OF PART 710 TO THE COMPANY ALLOW THE COMMISSION TO MAINTAIN OR IMPROVE UNIFORMITY IN SUBSTANTIVE RESULTS AS AMONG TELECOMMUNICATIONS COMPANIES?**

**A.** Yes. To the best of my knowledge, no other interexchange carrier certified in Illinois is require to maintain its books and records under Part 710.

**Q. DO YOU BELIEVE THAT THE COMPANY HAS PROVIDED SUFFICIENT EVIDENCE TO SUPPORT ITS REQUEST FOR A WAIVER OF PART 710?**

**A.** Yes I do.

**Q. DOES THE COMPANY AGREE THAT THE REQUESTED WAIVER OF PART 710 WILL NOT EXCUSE IT FROM COMPLIANCE WITH FUTURE COMMISSION RULES OR AMENDMENTS TO PART 710?**

**A.** Yes.

**Q. DOES THE COMPANY REQUEST A WAIVER OF 83 ILL. ADMIN. CODE SECTION 250, WHICH REQUIRES THE COMPANY TO MAINTAIN ITS BOOKS AND RECORDS IN ILLINOIS.**

**A.** Yes. The Company requests a waiver of that requirement, and agrees that it will provide access to relevant records to the Illinois Commerce Commission.

**Q. WHAT OTHER REQUIREMENTS WILL THE COMPANY COMPLY WITH AS PROVIDER OF INTEREXCHANGE AND LOCAL EXCHANGE SERVICES?**

A. In addition to filing tariffs, the Company will file its Annual Reports with the Commission, the public utility tax payments and returns, and otherwise comply with the requirements imposed on other interexchange and local exchange carriers providing the types of services. In addition, the Company will take all steps necessary to comply with the Emergency Telephone System Act when it provides voice grade local exchange services.

**Q: IS THE COMPANY'S APPLICATION IN THE PUBLIC INTEREST?**

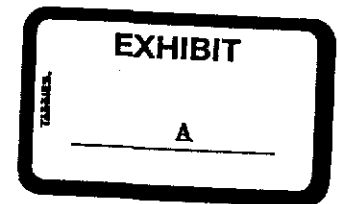
A: Yes. Granting the Company's application will further the public interest by expanding the availability of technologically advanced telecommunications facilities. The Company's network will provide Illinois consumers with the option of selecting from a wide range of innovative and personalized services that offer a number of significant technologic advantages in comparison to other access media. The Company's voice and data network will be able to maintain consistent, high speeds of service while providing secure connections that enable a consumer to complete calls. The Company will be able to furnish these services to Illinois consumers quickly and at lower cost because the Company intends to be a more efficient provider than the incumbent local exchange carrier.

**Q. ARE THE COMPANY'S SERVICES AVAILABLE TO TTY CUSTOMERS?**

A. Yes.

**Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

**A: Yes.**



STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

RGT UTILITIES OF CALIFORNIA, INC.

Application for a certificate of  
local and interexchange authority to operate  
as a reseller and facilities based carrier of  
telecommunications services throughout

Docket No. 01-\_\_\_\_\_

STATEMENT OF FINANCIAL GUARANTEE

Rockefeller Group International, Inc., hereby guarantees that the Applicant in the above referenced matter, a subsidiary of Rockefeller Group International, Inc., shall have Rockefeller Group International, Inc.'s financial support, up to and including \$\_\_\_\_\_ including access to the financial resources of Rockefeller Group International, Inc., in its endeavor to obtain certification from the Illinois Commerce Commission and to provide telecommunications services described in its application in the State of Illinois. Such support shall include, but is not limited to, authorization for the applicant to use the financial statements of Rockefeller Group International, Inc. in order to establish financial capability and access to resources reasonably liquid and available for the start-up operations of the Applicant in Illinois.

Signature: \_\_\_\_\_

Karen A. Treadwell  
Treasurer

Henry T. Kelly  
O'Keefe, Ashenden, Lyons and Ward  
30 N. LaSalle St., Suite 4100  
Chicago, Illinois 60602  
(312) 621-0400  
(312) 621-0297

State of  
New York  
County of  
New York } ss.

Sworn to before me this  
19<sup>th</sup> day of September, 2001  
Diane J. Kepple

"Public Version"

DIANE J. KEPPLER  
Notary Public, State of New York  
No. 0145526035

ROCKEFELLER GROUP INTERNATIONAL, INC.  
CONSOLIDATED STATEMENTS OF INCOME  
Years ended December 31, 2000 and 1999  
(Thousands of dollars)

	2000	1999
Revenues		
Cost of revenues		
General and administrative expenses		
Depreciation and amortization		
Gain on sale of assets		
Other income		
Income before financing and investment costs, net		
Financing and investment costs, net		
Income from continuing operations before taxes and minority interest		
Provision for income taxes		
Minority interest		
Earnings from continuing operations		
Discontinued operations, (net of income tax expense of \$3,970 in 2000 and \$2,820 in 1999)		
Cumulative effect of change in accounting principle, (net of an income tax benefit of \$5,168)		
Net income		

See accompanying notes.

ROCKEFELLER GROUP INTERNATIONAL, INC.  
 CONSOLIDATED BALANCE SHEETS  
 December 31, 2000 and 1999  
 (Thousands of dollars, except per share information)

	<u>2000</u>	<u>1999</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents		
Accounts, commissions, and fees receivable, net		
Other current assets and interest receivable		
Investments:		
Investment portfolio		
Other investments, net		
Property and equipment at cost, net		
Goodwill, net of accumulated amortization of \$20,147 in 2000 and \$12,728 in 1999		
Other assets, net		
Total assets		
<u>Liabilities and Stockholder's Equity</u>		
Current liabilities:		
Short-term debt and current portion of long-term debt		
Accounts and commissions payable		
Accrued income taxes		
Other current liabilities		
Noncurrent liabilities:		
Long-term debt		
Other		
Liabilities and deferrals - discontinued operations		
Deferred taxes		
Minority interest		
Stockholder's equity:		
Common stock, 100 shares issued and outstanding, \$1 par value		
Accumulated other comprehensive income, net of tax		
Retained earnings		
Total liabilities and stockholder's equity		

See accompanying notes.

RGT Utilities of California Inc.  
 Balance Sheet (Pro forma)  
 In Thousands

December 31, 2002	December 31, 2002
Current Assets	Current Liabilities
Cash & CMA	Accounts Payable & Accrued Expenses
Accounts Receivable - Net	Accounts Payable - Affiliates
Accounts Receivable - Affiliates	Accrued Taxes - Federal
Other Current Assets	Accrued Taxes - Other
Total Current Assets	Other Current Liabilities
	Total Current Liabilities
Fixed Assets	Non - Current Liabilities
Fixed Assets	Discontinued Operations Reserve
Accumulated Depreciation	Deferred Taxes - Federal
Fixed Assets - Net	Other Non - Current Liabilities
	Total Non - Current Liabilities
Other Assets	Stockholders Equity
Equipment Lease Receivable	Common Stock
Other Long Term Assets - Net	Additional Paid In Capital
Total Other Assets	Retained Earnings
	Total Stockholders Equity
Total Assets	Total Liabilities and Equity

"Public Version"

RGT Utilities of California, Inc.  
Pro-Forma Income Statement  
Twelve Months Ending December 31, 2002  
In Thousands

2002

Revenue  
Operating Expenses  
  
Gross Margin  
  
General & Administrative  
Depreciation & Amortization  
  
EBIT  
  
Interest Income  
  
Profit Before Taxes  
  
Provision For Taxes  
Current  
Deferred  
  
Total Tax Provision  
  
Net Income (Loss)



*RGT Utilities of California, Inc.*  
Basis of Estimate - Proforma Income Statement

Business plan for Illinois activity is based on the premise of existing relationships with clients of Rockefeller Group Telecommunications Services Inc., which operates in New York. Several of our clients have a presence in Illinois (Chicago), and expressed the need for us to provide them telecommunications solutions.

<u>Client List:</u>	<u>Estimated Lines</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Cushman & Wakefield (Affiliate)														
Rockefeller Group Business Center (Affiliate)														
Lazard Freres														
Financial Times														
JF Morgan Chase														
Mayer, Brown, Platt														
AXA Financial														
Morgan Stanley														
National Hockey League														
BMC Software														
COH														
Total														

Estimated revenues are \$35 per line per month  
Monthly Revenue Stream

Average Line Count  
Annual Revenue per Line  
Estimated Revenue

"Public Version"

Acct	Descr	Short Desc	Type
<b>Balance Sheet</b>			
<b>Assets</b>			
<b>Current Assets</b>			
<b>Cash</b>			
100110	Cash - Chase Operating	Cash-Ch-Op	A
100120	Cash - Chase NY RGCC Concentr	Cash-RGCC	A
100210	Cash - Chase Syrac. Disb.	Cash-Sy-Di	A
100450	Chase Bus. Acct (RGT Carriers)	Cash-Ch-BA	A
100610	Cash - Petty cash	Cash-Petty	A
<b>CMA</b>			
110110	CMA - Chase NY Operat Network	CMA-Chase	A
110210	CMA to/from cons. Affiliate	CMA-con-Ch	A
110510	CMA Chase Syrac. network	CMA-Sy-Net	A
<b>Accounts Receivable Net</b>			
120000	Accounts receivable - trade	AR - trade	A
120030	Accounts receivable - misc	AR - misc	A
120060	Accounts receivable - other	AR - other	A
120110	Notes receivable -non-affil	Notes rec	A
120120	Travel advances	Travel adv	A
120900	Allow. for doubt. Acc. rec.	Allow dbfl	A
<b>Accounts Recv. Affiliates</b>			
121000	A/R - cons. Affiliates	AR-co afil	A
<b>Accrued Interest Rev. CMA Cons.</b>			
121400	Interest rec CMA - cons affil.	Int-CMA-co	A
<b>Other Current Assets</b>			
130020	Prepaid expenses	Prepd exp	A
130540	Inventory	Inventory	A
130560	Current assets - other	Oca	A
<b>Investments</b>			
<b>Investment Consolidated Affiliate</b>			
147100	Investments in cons. Subs.	Inv cons	A
<b>NonCurrent Assets</b>			
<b>Other Depreciable Assets Net</b>			
153100	Other deprec assets	Other depr	A
153105	Contra-Other Deprec. Assets	Contra-ODA	A
153340	Leasehold improvements	Lease Impr	A
153345	Contra-Leashold Improvements	ContraLHI	A
153600	Telecommunications Equipment	TeleEquip	A
153650	Contra-Telecomm. Equipment	ContraTele	A
<b>Accumulated Depreciation</b>			
155100	Accum. Depr. - other assets	AD-oth as	A
155340	Accum. Depr. - leasehold impr.	AD-lease I	A
155600	Accum. Deprec.-Telecomm. Equipment	AD-Telecom	A

Acct	Descr	Short Desc	Type
<b>Other Assets</b>			
162000	Deferred renting	Def rent	A
162005	Contra-Deferred Renting	ContraDefR	A
162050	Def renting - accum. amort.	AA-Def ren	A
162100	Deferred Expenses	DeferrdExp	A
162105	Contra-Deferred Expenses	ContraDfEx	A
162150	Accum.Amort.-Deferred Expenses	AD-DfrdExp	A
167100	Employee notes rec	Employee n	A
167150	Int Accr. employee notes rec	Int-emp nr	A
167400	Equip lease receivable	Equip leas	A
167450	Other suspense	Other susp	A
167500	Other long term assets	Othr lt as	A
167550	Notes Receivable	Notes	A

**Liabilities**

<b>Accounts and accrued expense payable</b>			
202000	Accr. expenses payable	Acr expens	L
202010	Accr. expenses payable- misc	Acr exp mi	L
202020	Accr. expenses payable -rent	Acr rent	L
202130	Commissions payable	Commission	L
202140	Accr. Compreh. gen liab ins	Acr CGL	L
202160	Accr. property insurance	Acr proper	L
202170	Accr. umbrella insurance	Acr umbrel	L
202180	Accr. insurance mgt. fees	Acr ins mg	L
202190	Accr. Environmental costs	Acr Enviro	L
202200	Accr. PBX maintenance	Acr PBX mt	L
202210	Accr. - Outlet Comm.	Acr Outlet	L
202230	Accr. legal fee	Acr legal	L
202240	Voucher payable	Voucher pa	L
202250	Accr. audit fee	Acr audit	L
202300	Yearend accruals	YE accrual	L

<b>Accrued Payroll &amp; Rel Taxes Payable</b>			
202330	Accr. payroll expense	Acr payroll	L
202340	Accr. payroll exp. FIT w/h	Acr FIT wh	L
202350	FICA tax w/h - employee	Acr FICA e	L
202360	FICA tax w/h - employer	Acr FICA r	L
202370	state tax w/h	Acr NYS wh	L
202380	city tax w/h	Acr NYC wh	L
202400	Accr. - disab & severance	Acr disb	L
202410	Thrift employer w/h pretax	Acr thft r	L
202420	State unemp sui	Acr NJ sui	L
202440	Incentive compensation	Acr Incent	L
202450	Workmns comp	Acr w/c	L
202460	State Tax w/h	Acr NJ Tax	L

<b>Accrued Benefits Payable</b>			
202470	United way	Acr united	L
202490	disability	Acr NJ dis	L

Acct	Descr	Short Desc	Type
202510	unempl sui	Acr NY sui	L
202530	Thrift employee w/h pretax	thrift pre	L
202550	Thrift employee w/h aftertax	thrift aft	L
202570	Thrift plan supp w/h	thrift sup	L
202590	401 k loan repymt	401K loans	L
202610	Incentive savings	incent sav	L
202630	Dependent care w/h	dep care w	L
202650	Dependent care pymt	dep care p	L
202670	Dependent care clrg	dep care c	L
202690	Savings bonds w/h	bonds w/h	L
202700	Health Care/Dental Withholding	H.C./D W/H	L
202710	Group legal w/h	legal w/h	L
202730	Group legal pymt	legal pymt	L
202750	Group legal clrg	legal clrg	L
202770	Medical health w/h	health w/h	L
202790	Medicare emplyee pymt	med ee pay	L
202810	Medicare emplyer clrg	med er clg	L
202820	Group Life Withholding	G.L. w/h	L
202830	Group life	group life	L
202840	TransitChek Withholding	TransW/H	L
202850	Healthcare	Healthcare	L
202860	Long-Term Care Insurance	LT-CareIns	L
202870	Disability	Disability	L
202925	SERP Liability - NQDCP	SERP-NQDCP	L
202930	Pension	pension	L

**Accrued Interest Payable**

203510	Accr. interest payable	Acr inter.	L
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**Other Current Liabilities**

204010	Accr. - Letter of credit fees	Acr LC fee	L
204020	Deferred income	Def income	L
204030	Unearned revenue	Unearn rev	L
204040	Def. Consideration rent	Def consid	L
204050	FASB 13 expense liability	FASB 13 ex	L
204070	Advances from customers	Adv cust	L
204080	Current liabilities - other	curr oth	L

**Accrued Taxes- Other**

205150	Accr. occupancy taxes	Acr Occ Tx	L
205200	Accr. utility tax exp.	Acr Util T	L
205250	Accr. Gen. Bus. Taxes	Gen Bus Tx	L
205270	Accrued City Excise Tax	AcrdCityEx	L

**Tax Payable**

205300	Accr. Sales & Use Tax	Sales/Use	L
205310	Accrued Sales Tax	AcrdSalTax	L
205320	Accrued Use Tax	AcrdUseTax	L
205350	Accr. Entertainment Sales Tax	Entertain	L
205355	Accr. Intrastate Tax	AcrdIntraStTax	L
205360	Accr. Local Tax	AcrdLocalTax	L

## Chart of Accounts

As of 9/7/01

Acct	Descr	Short Desc	Type
205370	Accr. Other Illinois Tax	AcrdOthIllTax	L
<b>Federal Excise Taxes Payable</b>			
205400	Accr. Federal Excise Tax	Fed excise	L
<b>Universal Service Fees Payable</b>			
205450	Accr. Fed Universal Serv Fee	Univ Serv	L
<b>Due to/from cons. - affil.</b>			
206100	Due to/from cons. - affil.	to/fr cons	L
<b>Income Taxes payable</b>			
210000	Accr. federal income taxes	fed inc tx	L
210100	Accr. state income taxes	state inc	L
210200	Accr. city income taxes	city inc	L
210300	Accr. foreign income taxes	foreign in	L
<b>Other Long-Term Liabilities</b>			
253000	Lt commissions paybl	Lt commiss	L
254000	Lt compensation Accr.	Lt compens	L
254320	SERP L-T Liability-NQDCP	SERP-NQDCP	L
254350	Rock dollars payable - LT	Rock dolla	L
254450	Discontinued operations	Disc Oper	L
254500	Oblig cap lease payable - LT	Cap lease	L
254550	Deferred tax - certiorari fees	Def certio	L
254600	Other LT liabilities	Oth LT lia	L
254700	Deferred Revenue - NonCurrent	DefRev-NC	L
<b>Discontinued Operations</b>			
254900	Discontinued operations liab.	Disc Oper	L
<b>Deferred Taxes</b>			
255000	Deferred Federal inc taxes	Def Fed	L
255020	Deferred State taxes	Def NYS	L
255040	Deferred City taxes	Def NYC	L
255060	Deferred foreign taxes	Def foreig	L
255080	Def tax l/t rock dollars	Def tax ro	L
<b>Minority Interests</b>			
256000	Minority interest liability	Minority i	L
<b>Stockholder's Equity</b>			
291000	Common stock	Common sto	Q
292000	Additional paid in capital	Pic	Q
299000	Retained earnings	Ret earn	Q

## Income Statement

## Revenues

RGT Revenue

## Chart of Accounts

As of 9/7/01

Acct	Descr	Short Desc	Type
<b>Basic Service Regulated</b>			
390300	Telephone Regulated	Tel RBS	R
<b>Local Calls</b>			
391000	Local Calls	Local NYC	R
391010	Mobile Local Calls	MobileLoca	R
391020	Local Calls Intralata	Local Intr	R
391030	Mobile Intralata Calls	MobIntrala	R
<b>Long Distance Calls</b>			
391200	Mass Announcement Calls	Mass Annou	R
391220	Mass Annmmt Calls Intralata	Mas Intral	R
391240	Mass Annmmt Interlata Intrast	Mas Intrast	R
391260	Mass Annmmt Calls Interstate	Mas Inters	R
391280	900 Number Calls	900 Number	R
391300	LD Calls Interstate Intrastate	LD Intra	R
391310	Mobile Intrastate/Interlata Ca	MobIntrast	R
391320	LD Calls Interstate	LD Inter	R
391330	Mobile Interstate Calls	MobInterst	R
391340	International Calls	Internatio	R
391350	Mobile International Calls	MobInterna	R
391360	Operator Asst & Conf Calls	Op A NYC	R
391380	Op Asst & Conf Calls Intralata	Op A intra	R
391400	Op Asst&Conf Interlata Intrast	Op A inter	R
391420	Op Asst & Conf Calls Interstat	Op A inter	R
391440	Op Asst & Conf Calls Int'l	Op A Int'l	R
391460	Calling Card Calls	Cc Nyc	R
391480	Calling Card Calls Intralata	CC Intral	R
391500	Calling Card Interlata Intrast	CC Interl	R
391520	Calling Card Calls Interstate	CC Inters	R
391540	Calling Card Calls Int'l	CC Int'l	R
391560	800 Number Calls	800 Nyc	R
391580	800 Number Calls Intralata	800 Intral	R
391600	800 Calls Interlata Intrastate	800 Intrast	R
391620	800 Number Calls Interstate	800 Inter	R
391640	800 Number Calls International	800 Int'l	R
<b>Audio Conferencing</b>			
391700	Audio Conferencing	AudioConf	R
<b>Directory Assistance</b>			
391800	Directory Assistance Calls	Da Nyc	R
391820	Dir Assist Calls Intralata	DA Intral	R
391840	Dir Asst Interlata Intrastate	DA intrast	R
391860	Dir Assist Calls Interstate	DA Inter	R
391880	Dir Assistance Calls Int'l	DA Int'l	R
<b>Universal Services Fees</b>			
393500	Federal Universal Service Fees	Fed Univ	R

Acct	Descr	Short Desc	Type
<b>Long Distance Other Revenue</b>			
393600	LD Inbound Commissions	LD Inbound	R
393620	800 Outbound Commissions-ACC	800 Outbou	R
393640	Pay Phone LD Commissions	Pay Phone	R
393660	Miscellaneous	Misc LD Ot	R
<b>Miscellaneous Income</b>			
396500	Miscellaneous Income	Misc Inc	R
396600	Late Charges Income-RGT	LateFeeRG	R
396800	Interest Income on Leases	Inc-Leases	R

**Expenses****Operating Costs**

<b>Local Transmission</b>			
490100	Local Calls	Local Call	E
490120	Regional Calls	Regional C	E

<b>Local Access</b>			
490300	Local Access	Local Acce	E

<b>Long Distance Transmission</b>			
490500	Intrastate/Interlata Calls	Intrastate	E
490520	Interstate Calls	Interstate	E
490540	International Calls	Internatio	E
490560	Op Asst&Conf Calls Interstate	Op A Inter	E
490580	Op Asst&Conf Interlata/Intrast	Op A Intra	E
490600	Calling Card Calls	Call Card	E
490620	Toll Free Calls	Toll Free	E
490640	Other LD Calls	Other LD	E
490700	Long Distance Access	Long Dist	E

<b>Universal Service Fees</b>			
490900	Federal Universal Service Fees	Fed Univ	E

<b>Directory Assist</b>			
491100	Dir Assist Calls Regional	DA Reg	E
491120	Dir Asst Interlata Intrastate	DA Intra	E
491140	Dir Assist Calls Interstate	DA Inter	E
491160	Dir Assistance Calls Int'l	DA Int'l	E

<b>Occupancy Costs</b>			
491800	Rent Expense	Rent Ex	E
491820	Environmental Costs	Environ C	E
491840	Facility Costs	Facility C	E

<b>Consulting Expenses</b>			
492200	Consulting Services	Consulting	E

Acct	Descr	Short Desc	Type
<b>Other Operating Expenses</b>			
492400	Training Materials	Train Mat	E
492420	Directory Listings	Direct Lis	E
492440	Temporary Operations Help	Temp Help	E
492460	PBX & Other Maintenance	PBX Maint	E
492480	Other Operating Expenses	Other Oper	E
492490	Cost Allocation-COR	CostAllCOR	E
<b>Mobile Services</b>			
493000	Paging monthly service	PagingMnth	E
493005	Wireless Tel. monthly service	WirelesTel	E
493010	Equipment Maintenance	EquipMaint	E
493015	Equipment Rental	EquipRentl	E
493020	Paging Message charges	PageMessag	E
493025	Paging Other Usage Charges	PageOther	E
493030	Paging one-time charges	PageOneTim	E
493035	Wireless Tel. one-time charges	Wireonetim	E
<b>Gain(loss) on sale of Assets</b>			
600100	Gain(loss) on sale of assets	GainonSale	E
<b>Depreciation &amp; Amortization Expense</b>			
691000	Depreciation expense	Depr	E
692000	Amortization expenses	Amort	E
<b>General &amp; Administrative Costs</b>			
<b>Salaries &amp; Wages</b>			
700000	Salaries & wages	Sal&Wage	E
700010	Salaries - o/t	Ot	E
700020	Wages - 32b/j	32wage	E
700030	Wages - j/v prot	J/Vwage	E
700040	Wages l94	L94wage	E
700050	Wages - l638	L638wage	E
700060	Wages - locksmith	Lockwage	E
700070	Salaries & wages - contra	Salcontra	E
700100	Payroll taxes - salaried	SalPRT	E
700110	INACTIVE	Inactive	E
700120	Payroll taxes - 32B/J	32B/J	E
700130	Payroll taxes - J/V	J/Vprt	E
700140	Payroll taxes - L94	L94Prt	E
700150	Payroll taxes - L638	L638PRT	E
700160	Payroll taxes - Locksmith	PRTlocksmt	E
700170	Payroll Taxes - Contra	Prt-Contra	E
<b>Fringe Benefits Expense</b>			
700200	Healthcare	Health	E
700210	Disability	Disability	E
700220	Pension	Pension	E
700230	Group life	Life	E



Acct	Descr	Short Desc	Type
700240	Opeb	Opeb	E
700250	Incentive savings plan-Employr	Isp	E
700260	Health clubs	HealthCl	E
700270	Imputed auto expenses	Auto	E
700280	ARB Award	Arb	E
700290	Other	Other	E
700300	32 B/J	32Fb	E
700310	J/V Protection	J/Vfb	E
700320	Local 94	L94Fb	E
700330	Local 638	L638Fb	E
700340	Carpenters(lock)	LockFB	E

**Fringe Benefits Payments- to be Allocated out**

701010	Group life -Employee contribut	LifeContr	E
701020	Aetna group life - basic	AetnaBasic	E
701030	Aetna group life - opt employ	AetnaEmpl	E
701040	Aetna group life - opt spouse	AetnaSPS	E
701050	Aetna group life - opt depend	AetnaDep	E
701060	Aetna group life - ltd	AetnaLTD	E
701070	Aetna group life - AD &D	AetnaAD&D	E
701080	Aetna group life - retirees	AetnaRet	E
701090	Medical/Dental - EE contrib	MedEmpCon	E
701100	Medical/Dental - Retiree contr	MedRetCon	E
701110	Cigna ASO - Active employees	CignaEmp	E
701120	Cigna ASO - Pre 65 retirees	CignaPre65	E
701130	Cigna ASO - Post 65 retirees	CignaPos65	E
701140	Cigna ASO - LTD employees	CignaLTD	E
701150	Cigna ASO - Cobra participants	CignaCobra	E
701160	Metlife ASO - active employee	MetEmp	E
701170	Metlife ASO - pre 65 retirees	MetPre65	E
701180	Metlife ASO - post 65 employee	MetPost65	E
701190	Metlife ASO - ltd employees	MetLTD	E
701200	Metlife ASO - cobra part.	MetCobra	E
701210	PCS - active employee	PCSEmp	E
701220	PCS - pre 65 retirees	PCSPre65	E
701230	PCS - post 65 employees	PCSPost65	E
701240	PCS - ltd employees	Pcsltd	E
701250	PCS - cobra participants	PCSCobra	E
701260	Excess loss - Active employees	LossEmp	E
701270	Excess loss - pre 65 retirees	Losspre65	E
701280	Excess loss - post 65 employee	Losspost65	E
701290	Excess loss - ltd employees	LossLTD	E
701300	Excess loss - cobra participan	LossCobra	E
701310	Unicare stop loss reimbursen	Unicare	E
701320	Excess loss Health Insurance	HealthLoss	E
701330	Healthcare administrative fees	HealthFees	E
701340	Cigna - Healthcare Claims	CignaClaim	E
701350	Metlife - dental Claims	MetClaim	E
701360	Blue cross - active employees	BCEmp	E
701370	Blue cross - pre 65 retirees	BCpre65	E
701380	Blue cross - post 65 retirees	BCpost65	E

## Chart of Accounts

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Acct	Descr	Short Desc	Type
701390	Kaiser(CapDistrictPhys)-active	KaisCapDis	E
701400	Kaiser(CapDistPhy)pre65retiree	KaiCapPr65	E
701410	Kaiser(CapDistPhy)post65retiree	KaiCapPh65	E
701420	Comed Cigna - active employees	ComedEmp	E
701430	Comed Cigna - pre 65 retirees	ComedPre65	E
701440	Comed Cigna - post 65 retirees	Comed+65	E
701450	US Health NY - active employee	USNYEmp	E
701460	US Health NY - pre 65 retiree	USNYpre65	E
701470	US Health NY - post 65 retiree	USNYpost65	E
701480	US Health NJ - active employee	USNJEmp	E
701490	US Health NJ - pre 65 retiree	USNJpre65	E
701500	US Health NJ - post 65 retiree	USNJpost65	E
701510	Oxford - active employee	OxEmp	E
701520	Oxford - pre 65 retirees	Oxpre65	E
701530	Oxford - post 65 retirees	Oxpost65	E
701540	HIP of NY - active employees	HIPEmp	E
701550	HIP of NY - pre 65 retirees	HIPpre65	E
701560	HIP of NY - post 65 retirees	HIPpost65	E
701570	HMO - Cobra Participants	HMOcCobra	E
701580	Disability - Imputed Income	Disab	E
701590	Unum - Short term disability	UnumSTD	E
701600	Unum - ltd imputed income	UnumLTD	E
701610	Unum - ltd no imputed income	UnumImput	E
701620	Unum - disability administr	UnumDisab	E
701630	Healthcare additional accrual	Healthadd	E
701640	Fringe Benefit allocation out	Fbcontra	E
701700	Opeb	Opeb	E
701710	OPEB - additional accrual	OPEbadd	E
701720	OPEB - allocation out	OPEballo	E
701750	Pension	Penison	E
701760	Pension - additional accrual	PenAdd	E
701770	Pension - allocation out	PenAlloc	E

**Supplemental Compensation**

702010	ST incentive compensation	Stic	E
702015	Incentive Comp. Allocation Out	IncCompAl	E
702020	LT incentive compensation	Ltic	E
702030	Rock dollars	R\$	E
702040	Sales commissions	SalesComm	E
702050	SERP plan expense/Retiree bene	SerpRet	E
702055	SERP Expense - NQDCP	SERP-NQDCP	E
702056	SERP-Exp-NQDCP-Unreal Chg Val	SERP-NQDCP	E
702060	SERP gain/reserve expense	SerpGain	E
702070	Retirees consultant	RetConsult	E
702080	Death benefits	Death	E

**Travel & Entertainment**

703010	Travel & entertainment	T&E	E
703020	Travel lodging	Lodging	E
703030	Business meal expenses	Meals	E

Acct	Descr	Short Desc	Type
<b>Professional Fees</b>			
704010	Consulting fees	Consult	E
704020	Legal fees	Legal	E
704030	Regulatory legal fees	RegFees	E
704040	Audit fees	Audit	E
704050	Accounting fees	AcctgFee	E
704060	Ceridian fees	Ceridian	E
704070	Portfolio advice fees	PortFees	E
704080	Advisory fees	Advisory	E
704090	Credit reports/rating agencies	CreditRep	E
704100	Licensing fees	LicenFee	E
704105	Filing Fees	FilingFees	E
704110	Bank service fees	BankFees	E
704120	Commission fees	CommFees	E
704130	Custodial Fees	Custodial	E

**Other Staff Expenses**

705010	Employee meals / supper money	Supper	E
705015	Supper money contra account	SuppContra	E
705020	Conferences & training	Confer	E
705030	Training and development	Training	E
705040	Subscriptions	Subscrip	E
705050	Dues	Dues	E
705060	Exec. Tax & Financial plan	FinPlan	E
705070	Temporary Personnel	Emps	E
705080	Tuition reimbursement	Tuition	E
705090	Scholarship exp	Scholar	E
705100	Christmas distribution	XmasDist	E
705110	C&W human resources fees	C&Wfees	E
705120	C&W human resources related ex	C&Whr	E
705130	Recruiting expenses	Recruit	E
705140	Relocation expenses	Relocate	E
705150	Partnerships activities exp.	PartnerExp	E
705160	Uniforms	Uniforms	E
705170	Activities-Employee Services	ActEmployee	E

**Board & other meeting Expenses**

706010	Director fees	DirectFee	E
706020	Board meeting expenses	BdMtgExp	E

**Contributions/Corporate/Dues/Functions**

707010	Charitable banquets	CharBanq	E
707020	Corporate banquets	CorpBanq	E
707030	Corporate contributions	CorpContr	E
707040	United Way campaign	UnitedWay	E
707050	Matching gifts	MatchGifts	E
707060	Christmas cards	XmasCards	E
707070	Corporate newsletter	Newsletter	E
707080	RGI perspective	Perspect	E
707090	RGI Capabilities Brochure	Brochure	E
707100	Corporate gifts	CorpGift	E

Acct	Descr	Short Desc	Type
707110	Political contributions	PolCont	E
707120	Charitable contributions	CharCont	E
707130	Ceo employee meeting	CEOMtg	E
707140	Name Change Expenses	NameChange	E
707150	Corporate Dues	CorpDues	E
707160	Web Site	WebSite	E
707170	Advertising	Advertising	E
707180	Annual Review	AnnReview	E
707190	Speakers Bureau	SpeakBurea	E

**Office Expenses**

708010	Telephone expense	Telephone	E
708020	Rent	Rent	E
708030	Premises - repair & maint.	Premises	E
708040	Electricity	Elec	E
708050	Archive record storage exp	Archive	E
708060	Insurance expense	Insurance	E
708070	Depreciation & Amortization	D&A	E
708080	Non-deductible expense	N/Dexp	E
708090	PC/Comp. supplies/hardware	Pcsupplies	E
708100	Computer PC maintenance	PCMaint	E
708110	Software	Software	E
708120	Time sharing service	TimeShar	E
708125	Internet charges	Internet	E
708130	On line service fees	Online	E
708140	Photographer	Photog	E
708150	Postage	Postage	E
708160	Stationery & supplies	Stat&Supp	E
708170	20/30 year dinner	20/30	E
708180	Office food & beverages	Food	E
708190	Dining room exp	DiningRm	E
708200	Messenger	Messenger	E
708210	Shipping & delivery	Shipping	E
708220	Courier	Courier	E
708230	Marketing & advertising	Marketing	E
708235	Consumer Advertising	ConsumerAd	E
708240	Marketing materials	MktgMat	E
708245	Industry Publications	IndPub	E
708250	Other promotional events	PromoEvent	E
708260	Imputed Interest	ImputedInt	E
708270	Office Relocation	OffReloc	E
708300	Cost Allocation-G&A	CostAllG&A	E

**Non-Capitalized Furniture & Fixtures**

709010	Furniture & equipment expense	F&E	E
709020	Equip rental	EquipRent	E
709030	Furniture rental	FurnRent	E
709040	Off equip rental	OffEquip	E
709050	Equip lease expense	Equiplease	E
709060	Vehicle maintenance	VehicMaint	E
709070	Equipment - repair & maint.	EquipR&M	E

## Chart of Accounts

As of 9/7/01

Acct	Descr	Short Desc	Type
709080	Business systems	BusSys	E

**Federal Excise Tax**

710100	Federal excise tax (use)	FedExcise	E
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**Sales Taxes**

710200	Sales tax (use)	MTAtax	E
710210	Entertainment tax (use)	EnterTax	E
710220	Franchise tax expense	FranchTax	E
710225	Intrastate Taxes	IntraStTax	E
710230	Local Taxes	LocalTax	E
710240	Other tax - Illinois	OtherTax	E
711000	Santander Subtenant Expense	Santander	E

**Other**

711010	Miscellaneous	Misc	E
711020	Bad debt exp/uncollectbl accts	BadDebt	E
711025	Abandoned Projects	AbanProj	E
711030	Gain (loss) -sales of assets	GainAsset	E
711040	Non-allocable reserve	Reserve	E
711050	Contingency	Conting	E

**Allocated Costs**

790010	Mis	Mis	E
790020	Audit	Audit	E
790030	Legal	Legal	E
790040	Tax	Tax	E
790050	Billing & budgets	Billing	E
790060	Human resources	Hr	E
790070	C&W Human Resources expense	C&Whr	E
790080	Finance & administration	Finance	E
790090	Accounting	Acctg	E
790100	Disbursement	Disburse	E
790110	Executive management	ExecMgmt	E
790120	Communications	Comm	E
790130	Administration	Admin	E
790135	Marketing allocation	MrktgAlloc	E
790140	Opeb	Opeb	E
790150	Non-allocable allocation out	NonAllOut	E

## Financing Expense(Income), net Interest Income

**Portfolio Interest Income**

800000	Interest income	IntInc	E
800010	Interest inc. MM - gs	GSInc	E
800020	Interest inc. MM - fidelity	FidelInc	E
800030	Interest inc. - loan particip.	LoanInc	E
800040	Interest inc. -euro time dep.	EuorInc	E
800050	Interest inc. - CDs	CDInc	E
800060	Interest inc. - debentures	DebenInc	E

Acct	Descr	Short Desc	Type
800070	Interest inc. - treasury bonds	TreasInc	E
800080	Interest inc. - misc notes	NotesInc	E
800090	Interest inc. - mutual funds	MutualInc	E
800110	Commercial paper premium	PaperPrem	E
800120	Interest income time deposits	TimedepInc	E
800130	Interest inc. - PSEG mtg.	PSEGIInc	E
800150	Interest inc. other investment	OtherInc	E
800160	Dividend & capital gain distr	Dividend	E
800170	Govt agency notes income	NotesPrem	E
800180	Govt agency pass thrus income	Passthru	E
800190	Govt agency mortgages income	MortPrem	E
800200	Corporate notes income	PremCorpN	E
800210	Medium term notes income	MTNotePrem	E
800220	Premium - (discount) amort.	Prem(disc)	E
800230	Interest inc - capital leases	CapleasInc	E

**Other Interest Income**

800240	Tenant security dep int. inc.	SecurInc	E
800250	Escrow interest income	EscrowInc	E
800260	Interest income	IntIncome	E

**Interest Income Loans-cons Affil.**

801100	Inter inc Loans - cons. Affil.	AffilInt	E
801300	Int inc Loans - non-cons Affil	UnconInt	E

**Interest Inc. CMA - Cons/noncons. Aff**

801500	Int. inc. CMA - cons. Aff.	CMAIntAff	E
801700	Int. inc. CMA - noncons. Aff.	CMAIntNC	E

**Other Financing Income****Dividend Income**

802100	Dividend	Dividend	E
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**Gains(losses) on sales of Securities**

802200	Gains (losses) on sale of MES	GainMES	E
802210	Gains (losses) on sale of LTI	GainLTI	E

**Fee Income**

802400	Fee income	Fee	E
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**Interest Expense****Interest Expense- other**

803100	Interest exp. - comm. paper	CPIntExp	E
803200	Interest exp. - other S/T debt	STIntExp	E
803300	Deferred debt finan. Cost	DefFinExp	E
803400	Premium (discount) expense	PremExp	E
803500	Dividend & interest losses	DivLosses	E
803600	Uncollectible accounts	Uncollect	E
803700	Letter of credit fees	LOC fees	E

Acct	Descr	Short Desc	Type
803800	Capital Lease Interest	CapInterst	R
803900	Interest Expense - Other	IntExpOthr	E
<b>Interest Expense- Loans-cons/noncons. Aff.</b>			
804100	Int. exp. Loans - cons. Aff.	LoanIntAff	E
804300	Int. exp. Loans - noncon. Aff.	LoanIntUC	E
805500	Int. exp. CMA - cons. Aff.	CMAExpAff	E
805700	Int. exp. CMA - noncon. Aff.	CMAExpUC	E

**Income Tax Expense****Current Income Tax Expense**

901000	Federal inc taxes	Fit	E
901050	NYS income tax	NYSTax	E
901100	NJ income tax	NJTax	E
901150	NYC income tax	NYCTax	E
901200	Foreign income tax	ForeignTax	E

**Deferred Income Tax Expense**

902000	Deferred Federal tax expense	DefFIT	E
902050	Deferred State tax expense	DefNYS	E
902100	Deferred City tax expense	DefNYC	E
902150	Deferred foreign tax expense	DefFor	E

**Minority Interest Expense**

910000	Minority interest expense	MinorInt	E
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**Discontinued Operations, net****Discontinued Operations**

920000	Discontinued operations	DiscOps	E
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**Tax on discontinued Operations**

920100	Discont. Ops. Exp. - tax curr.	DiscOpsTax	E
920110	Discont. Ops. Exp. - def. Tax	DiscOpsDef	E

**Extraordinary items, net****Extraordinary Items**

930000	Extraordinary items	ExtraItems	E
930100	Extra. items exp. - tax curr.	ExtraTax	E
930110	Extra. items exp. - def. tax	ExtraDef	E
940000	Cum. change in acct. principle	AcctgChg	E
940100	Cum. change in acct. - tax	AcctgTax	E
940110	Cum. change in acct. - def tax	AcctgDef	E